

**State of Utah****Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

November 29, 2006

Jay Marshall, Resident Agent  
UtahAmerican Energy, Inc.  
P.O. Box 986  
Price, Utah 84501

Subject: Conditional Approval of Refuse Pile Channel Repair and Redesign,  
UtahAmerican Energy, Inc. (UEI), Horse Canyon Mine, C/007/0013, Task  
ID #2642, Outgoing File

Dear Mr. Marshall:

The Division has evaluated the channel repairs implemented by UEI as mitigation to the channel as a result of the destructive storm event of September 9, 2005. After the channel was reconstructed on September 22 and 23, 2006, David Darby, Division Hydrologist, identified some concerns that were submitted to you in a letter dated September 23, 2006. Those concerns were addressed during the on-site meeting with Dave Shaver and Mark Greenhalgh on November 2, 2006.

At the end of the site visit, David Darby told Dave Shaver that the reconstruction of the channel was considered complete and the approved seed mixture could be applied. In a recent e-mail, Jay Marshall informed the Division that seeding was completed on November 24, 2006 (see attached).

Conditional approval of the channel reconstruction is granted with the following condition:

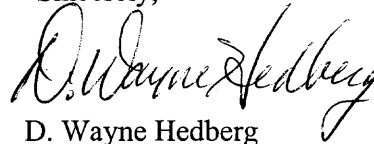
***Please submit as-built cross-sections and a longitudinal section for the channel to update the MRP by December 29, 2006. The cross-sections should show measured slopes, riprap placement and calculated water level for the 100 yr-6 hr precipitation event.***

Once we receive and determine the adequacy of the as-built design drawings and receive six clean copies, final approval will be granted. A stamped incorporated copy of the approved design plans will then be returned to you for insertion into your copy of the Mining and Reclamation Plan.

Page 2  
Jay Marshall  
November 29, 2006

Thank you for your cooperation in this regard. If you have any questions please call me at (801) 538-5268, or David Darby at (801) 538-5341.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Wayne Hedberg". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

D. Wayne Hedberg  
Permit Supervisor

an  
attachment: Jay Marshall email  
cc: Dave Shaver, UEI  
David Darby, OGM  
PFO  
O:\007013.HOR\FINAL\WG2642\APPROREFUSECHANNEL2642DWD.DOC

**From:** "Marshall, Jay" <jmarshall@coalsource.com>  
**To:** <davedarby@utah.gov>  
**Date:** 11/24/2006 2:49 PM  
**Subject:** channel has been seeded

Hi Dave:

I seeded the reclaimed channel and access today. Looks like a big storm is coming in on Monday.

Any questions please call.

R. Jay Marshall

Chief Engineer and Project Manager

Lila Canyon Mine

Utah, American Energy, Inc.

Office (435) 637 5032 ext 724

Cell (435 650 3157)